

Message Text

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PAGE 01 ROME 13974 091807Z

73

ACTION EUR-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-03 INR-10 LAB-01

NSAE-00 RSC-01 SIL-01 DODE-00 PM-03 H-01 L-02 NSC-07

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FM AMEMBASSY ROME

TO SECSTATE WASHDC 7376

INFO AMEMBASSY BONN

AMEMBASSY LONDON

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USMISSION EC BRUSSELS

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E.O. 11652 N/A

TAGS: PINT, ELAB, IT

SUBJ: FIAT LABOR PROBLEMS

ROME'S 13786

1. MEDIATION EFFORTS OF LABOR MINISTER BERTOLDI HAVE BEEN UNAVAILING. THUS, 65,000 FIAT WORKERS AND 6,000 AT LANCIA GO ON SHORT HOURS BEGINNING OCT. 10.
2. WAGE SUPPLEMENT FUND (CASSA INTEGRAZIONE) APPLICATION CONFIRMED BY FIAT MANAGEMENT, WITH REQUEST FOR INVOCATION OF FUND'S SPECIAL PROVISIONS UNDER WHICH WORKERS RECEIVE 80 0/0 OF WAGE LOSS RESTORED, REGARDLESS OF NUMBER OF HOURS WORKED. (IN FACT, SINCE FUND BENEFITS ARE NOT TAXABLE, WORKERS UNDER SPECIAL PROVISIONS WILL BE RECEIVING ESTIMATED 94 0/0 OF NORMAL WAGES WHILE WORKING 24-HOURS WEEK.) FIAT HAS ANNOUNCED ITS INTENTION TO BEGIN PAYING THE AFFECTED WORKERS AT THE SPECIAL WSF RATE IN ANTICIPATION OF APPROVAL OF ITS APPLICATION, AND COUNTING ON BEING REIMBURSED SUBSEQUENTLY BY THE FUND.

3. MEANWHILE, UNIONS HAVE PROCLAIMED FOUR HOUR GENERAL STRIKE
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PAGE 02 ROME 13974 091807Z

TODAY FOR TURIN REGION. NEARLY 500,000 WORKERS POTENTIALLY

INVOLVED. AMCONGEN TURIN REPORTS TURNOUT HAS BEEN UNUSUALLY LIGHT, I.E., ONLY SOME 15,000 PERSONS APPEARED FOR THE RALLY THIS MORNING. SOME CLASHED REPORTED BETWEEN PICKETS AND WORKERS AT ONE PLANT.

4. LABOR LEADERS HAVE DENOUNCED FIAT REJECTION OF BERTOLDI'S EFFORTS AS ATTEMPT AT UNION BUSTING. THEY ALSO IMPLY THAT AGNELLI'S MOTIVES HAVE BEEN POLITICAL, I.E., A DISINCLINATION TO ENHANCE THE STATURE OF BERTOLDI AND OF THE PSI DURING THE CURRENT GOVERNMENTAL CRISIS.

5. COMMENT: FIAT PRODUCTION CUTBACK WILL HAVE MAJOR COLLATERAL EFFECT ON MANY SUPPLIERS OF AUTO INDUSTRY. WAGE SUPPLEMENT FUND BECOMING HARD-PRESSED FOR MONEY EVEN AFTER DIPPING INTO SURPLUSES OF FAMILY ALLOWANCES FUND. AN EARLY INCREASE IN THE RATE OF EMPLOYER CONTRIBUTIONS TO THE FUND, CURRENTLY PEGGED AT 0.2 0/0 OF PAYROLL, IS LIKELY.BEAUDRY

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